

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3042-03
Bill No.: Truly Agreed to and Finally Passed SCS for HB 1392
Subject: Counties; County Officials; State Tax Commission; Taxation and Revenue -
Property
Type: Original
Date: June 2, 2010

Bill Summary: Would modify certain provisions regarding property taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Auditor**, the **Department of Revenue**, **Boone County**, and **St. Louis County** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Parkway School District** stated that this proposal would have saved their organization \$3.5 million in the 2009-2010 fiscal year, and assume that cost savings would be similar in future years.

Officials from the **Metropolitan Community Colleges**, **Cass County**, the **City of Centralia**, and the **City of Kansas City** assumed a previous version of this proposal would have no fiscal impact on their organizations.

Officials from the **Special School District of St. Louis County** (SSD) stated that a previous version of the proposal would not be expected to have a material fiscal impact on their organization. SSD officials also stated that the proposal would fix a problem that caused the district to incur a 3% drop in property taxes in the current fiscal year.

Oversight notes that this proposal would change the date by which taxing authorities must determine the ad valorem tax rate for the next year. Accordingly, Oversight assumes this proposal would have no fiscal impact on the state nor on its political subdivisions.

Officials from the **State Tax Commission** (TAX) assume the provisions which would allow each party to an appeal before the State Tax Commission one change of hearing officer would require TAX to assign a new hearing officer to an appeal if the party files a timely application to disqualify the hearing officer originally assigned to the appeal. Currently TAX has only three hearing officers to handle the thousands of appeals filed each year. The TAX response included one additional FTE Hearing Officer; and estimated total costs for salary, benefits, expense, and equipment were \$70,412 for FY 2011, \$85,233 for FY 2012, and \$87,789 for FY 2013.

Oversight assumes there would be a limited number of hearings where one of the parties would request the disqualification of a hearing officer and that TAX could implement this provision with existing resources. If unanticipated costs are incurred or if multiple proposals are incurred which increase then TAX could request resources through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

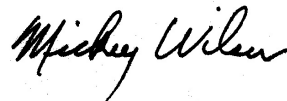
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor
Department of Revenue
State Tax Commission
Metropolitan Community Colleges
Boone County
Cass County
St. Louis County
City of Centralia
City of Kansas City
Parkway School District
Special School District of St. Louis County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
June 2, 2010